

2/20/78

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The White House News Summary

Friday, February 10, 1978

SENATE COMMITTEE INTRODUCES INTELLIGENCE-GATHERING REFORMS -- The Senate Intelligence Committee proposed new charters for the nation's spy and undercover activities Thursday and suggested controversial CIA Director Stansfield Turner be given power to run the entire operation. Committee Chairman Birch Bayh (D-Ind.) said the plan represents "the most significant protection of rights since the Bill of Rights itself," but he also indicated the legislation is likely to be heavily debated in Congress. The new charters would legally bar the use of assassination and terrorism and prohibit CIA efforts to overthrow "democratic" governments. But they would not prohibit covert or clandestine operations, mail openings, break-ins or bugging. (UPI, AP)

SENATE LEADERS ACKNOWLEDGE POLITICAL PROBLEMS ON TREATY VOTE -- The Panama Canal debate escalated Thursday as both Democratic and Republican Senate leaders conceded they aren't likely to make any points with the voters back home, no matter which way they vote. Democratic leader Robert Byrd told the Senate he was not elected to blindly follow public opinion and it should ratify the unpopular Panama Canal treaties "in the best interests of the United States." Relinquishing the Panama Canal "is a killer issue politically," said Republican leader Howard Baker. From a political standpoint, Baker said, a senator can stay even or lose, "but you can't profit from it."

In a related development, the State Department said recently completed studies confirm the soundness of the economic and financial provisions of the treaties. (AP, UPI)

STATE DEPARTMENT SAYS ISRAEL VIOLATES THE RIGHTS OF ARABS -- Israel, already sensitive about American opposition to its settlements in occupied Arab lands, was buffeted again Thursday when the State Department criticized it for violating the rights of Arabs. The criticism was part of the department's annual report on human rights in the 105 nations that receive American arms or economic assistance. The timing of the report was not related to President Carter's recent statements opposing the latest Israeli settlements on the West Bank. The report said Israel does not extend the same human rights assured to all its citizens to the Palestinians living in territories occupied by Israel. Israeli Embassy spokesman Avi Pazner said Israel resented any attempt to

Inside —

NETWORK NEWS.....3

DAILY PRESS: Employers would foot the bill under Carter health plan.7

COMMENTARY: Carter's Panama talk was first-rate.....9

CALENDAR.....14

2/20/78

// BEAM - HUNT

IRVING SAPPARO
LT GOV MC GINNIS
AG WIER
TREAS CARPER

JOE BIDEN - JILL
SEN WENDELL FORD
CHMN JOHN WHITE
JUDGE QUILLON

BUDGET (TAX CUT/REFORM
PRO
FOR REL - EUROPE ISRAEL
JUDICIARY
INTELLIGENCE

ENERGY
PUB WORKS
YOUTH EMP

FISCAL CONSERVATIVE
REGG - PAPER - REGS
WELFARE
~~INDEPENDENT~~
SALT - PROLIF
NATO
HUM RTS

THE WHITE HOUSE

WASHINGTON

February 20, 1978

Stu Eizenstat
Frank Moore

The attached was returned in the President's outbox today and is forwarded to you for your information.

The signed original has been given to Bob Linder.

Rick Hutcheson

cc: Bob Linder

RE: 1360 - NATIONAL FOREST TIMBER
SALES

THE WHITE HOUSE
WASHINGTON

February 18, 1978

Mr. President:

I have toned down the Signing Statement so that it is less negative. There is no point in negating the political advantages which will accrue from signing the Bill by a Signing Statement which appears to fly directly in the face of Congressional intent.

On further reflection, I think that we should seriously consider having you give a private message to the Forest Service, along the lines of the last paragraph of the proposed statement, rather than putting that last paragraph in a publicly released statement.

Before taking such action, however, I would like to check with the agencies, and they are unavailable for the weekend.

If you wish to sign the Bill, I would urge you to do so and I can deal with the Signing Statement Monday.

Stu



THE WHITE HOUSE
WASHINGTON
February 17, 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT *Stu*
LYNN DAFT *LD*

SUBJECT: Enrolled Bill S. 1360 - National
Forest Timber Sales

THE BILL

S. 1360 amends the National Forest Management Act of 1976 to provide new guidelines for the use of bidding procedures to prevent collusive bidding practices in the sale of national forest timber. In effect, the amendment signals Congressional interest in minimizing the use of sealed bidding, though it also protects the Secretary of Agriculture's discretion to use whatever bidding methods he deems appropriate to ensure open and fair competition.

VOTES IN CONGRESS

The bill passed the Senate by voice vote and the House by a vote of 295-78.

ANALYSIS

The Department of Agriculture had previously opposed legislation amending the 1976 Act on grounds that regulations under it had been in effect less than a year and more information on the relative effectiveness of alternative bidding arrangements should be collected prior to the adoption of any amendments. DOA and the Forest Service told us that they could continue their present bidding practices under the amended version as it passed the Senate, since it continues to give the Secretary of Agriculture discretion to use sealed bids. DOA, together with OMB, felt we should not oppose the Senate version in the House vote, particularly in light of the lopsided Senate vote and clear prospect for passage in the House. We thereupon notified Congressman Ullman, who had called on the day of the vote, that the Administration would not oppose the Senate bill, which Congressman Foley substituted for the House bill. We took this step only after the Department of Agriculture and OMB approved on the

day of the House vote, and with notification to Frank Moore's staff. The 1976 law directed the Secretary to employ sealed bidding procedures in all natural forest timber sales "except when the Secretary determines otherwise by regulation." Under this law, oral auctions were allowed for up to 75% of the sales volume in natural forest-dependent communities. Up to 100% of sales volume may be sold by oral bid when a pattern of sales to purchasers from outside the local community is found to exist, under the 1976 law, prior to S. 1360.

An imminent vote in the House made it impossible to run the issue by you. A letter of thanks from Congressman Ullman is attached (Tab A). Several other members, including Senators Bumpers and Anderson and Congressmen Simon and Krebs, are urging a veto (Tab B).

The Forest Service assured us that they could and would continue existing sealed bid practice under the amended law. Under the new law when sales are to be conducted by oral bidding, bidders are required to first establish eligibility through sealed qualifying bids. No oral bids are permitted unless qualifying bids are at least equal to the appraised value of the timber. The Secretary is required to monitor bidding patterns and report any collusive practices to the Attorney General.

AGENCY AND STAFF RECOMMENDATIONS

The Department of Agriculture and the Office of Management and Budget reluctantly recommend approval of S. 1360. Justice cites serious concerns with the bill but, on balance, does not recommend a veto, given the administrative flexibility given to the Secretary to employ sealed bidding in appropriate circumstances. Interior and Commerce express no objection to approval. Bob Lipshutz concurs with the recommended approval. Jack Watson had no comment. We recommend approval.

Together with USDA and OMB, we recommend that the attached statement (Tab C) be issued if you approve the bill, to make it clear that the Administration will not back away from requiring strict enforcement of open and fair competition in the bidding of timber from National Forests. It directs Secretary Bergland to continue testing alternative bidding as to their relative effectiveness. We also recommend that key opponents of the bill, including Senators Bumpers and Anderson, and Congressmen Simon and Krebs, be advised in advance of the signing and be told our reasons for approval.

do so

DECISION

 ✓ Sign S. 1360 (recommended)

 Veto S. 1360

A handwritten mark, possibly a signature or initials, consisting of a large, stylized 'J' or 'L' shape with a horizontal line extending from the top.

FOR IMMEDIATE RELEASE

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I have today approved the enrolled bill S. 1360 because it provides the Secretary of Agriculture broad flexibility in determining bidding methods to be used in the sale of National Forest timber. The bill directs the Secretary to take such measures as he deems appropriate to:

- insure open and fair competition,
- insure that the Federal Government receives not less than the appraised value of such timber,
- consider the economic stability of communities or such other objectives as he deems necessary, and
- be consistent with the objectives of other Federal statutes.

I endorse this direction.

The Administration had opposed legislation to amend the 1976 law in order to permit enough time to evaluate the effects of the revised regulation governing the sale of National Forest timber that went into effect on June 2, 1977.

I have approved the bill since it is clear that the Secretary retains full discretion to adopt bidding regulations for National Forest timber which he determines to be in the public interest. It is also clear that he may test alternative bidding methods or prescribe changes in bidding methods from time to time to meet overall public objectives.

#

I have approved the bill since it is clear that the Secretary retains full discretion to adopt bidding regulations for National Forest timber which he determines to be in the public interest. It is also clear that he may test alternative bidding methods or prescribe changes in bidding methods from time to time to meet overall public objectives.

I believe it is premature for the Secretary of Agriculture to immediately revert to bidding methods in use prior to the passage of the 1976 Act. An adequate assessment of the impacts of alternative bidding methods is not yet available. Therefore, I am directing the Secretary to continue to test alternate bidding procedures, under the discretion given to him, for the purpose of developing additional information on their relative effectiveness in insuring open and fair competition.

*Delete & →
put this in form
of a directive to
Burgland for me to sign*

PROPOSED SIGNING STATEMENT
S. 1360 - National Forest Timber Sales

I have today approved the enrolled bill S. 1360 because it provides the Secretary of Agriculture broad flexibility in determining bidding methods to be used in the sale of National Forest timber. The bill directs the Secretary to take such measures as he deems appropriate to:

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THE WHITE HOUSE

WASHINGTON

February 20, 1978

Frank Moore

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling.

Rick Hutcheson

RE: WEEKLY LEGISLATIVE REPORT

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
X		MOORE
		POWELL
		WATSON
		McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE

WASHINGTON

February 18, 1978

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

THE PRESIDENT

FROM:

FRANK MOORE

SUBJECT:

Weekly Legislative Report

1. ENERGY

-- While ratifying the Panama Canal Treaties is our most important objective at this time, the Administration must keep steady pressure on the energy conferees to get them moving. A series of meetings between you and Senate and House conferees has been suggested as a means of re-establishing the urgency of settling the natural gas issues and then going on to energy taxes. The Speaker has begun saying that it is time for direct Presidential involvement; however, his conferees caution against it.

-- The immediate problem is to get a majority of the Senate conferees to agree on a single position which can subsequently be negotiated with the House. Secretary Schlesinger has made good progress in personally working with the Senate. Therefore, it may be advisable to withhold your personal involvement until after the Senate position is fixed and the conferees representing the two Houses begin negotiating the final compromise bill. There is a danger in your becoming involved in the negotiations at both stages.

2. FOREIGN POLICY ISSUES

Panama: The Senate will reconvene on Monday and immediately resume debate on the Panama Canal Treaties. Principal interest during the week will focus on the Tuesday secret session during which the Senate Select Committee on Intelligence will make its report on the wiretapping and drug charges. Press interest will also focus on this session. We have been working closely with the leadership to prepare for the session and our response to the press. Senator Byrd feels we may have votes as early as next week, the first of which would be on Senator Allen's motion to reverse the order of consideration of the Treaties. This would require a majority vote.

-- Treaty opponents could try to highlight the drug issue by dragging out the closed session as long as possible. Under its rules, the Senate can vote to declassify documents. The rules require a vote on the floor to refer a document to the Intelligence Committee. The Committee then asks the Executive Branch to comment on the proposed declassification and reports its recommendation to the Senate where a vote to declassify can then occur. If opponents were to insist on this procedure for several documents, the closed session could extend beyond one day. Senators Byrd and Baker are aware of this possibility and are making plans to prevent it.

Middle East Arms: Initial reaction to the announcement this week of major arms sales to Israel, Egypt, and Saudi Arabia was not as intense as might have been expected. Some potential critics -- Culver, Javits, and Studds -- restricted their comments to an expression of hope that Congress will closely scrutinize the proposals. Other members of the two foreign relations committees who accept the need for a balanced package are seeking ways to protect themselves from lobby and grass roots pressure. Some may try to accomplish this by opposing all the sales. Members who are considering such a position -- liberal members of the House committee -- could possibly vote for the Arab sales if it seemed likely that the Israeli sale alone would be approved. In other words, these Members would adopt an all or nothing approach.

-- We are concerned at this stage over the possibility that Members will commit against the Arab sales. Rep. Bob Nix (D-Pa.) has already announced his intention to vote against the Egyptian and Saudi Arabian proposals. We are also concerned about rumors spreading on the Hill that you are not equally committed to all parts of the package. One line is that you are fulfilling your promise to the Saudis, but that you expect the Congress to do the dirty work and defeat the proposal.

-- To keep people uncommitted and to dispel erroneous notions about your intentions, we believe our office and the Vice President should make a limited number of telephone calls. While you might want to affirm your commitment to these sales with the leadership and other Members, we agree with Chairman Zablocki that it is too early for you to make telephone calls or have meetings with committee members specifically on this issue. ok

-- State will be submitting the informal notification next Tuesday and briefing Members and staff on the technical and political aspects of the proposals. There is still talk on the Hill about compromises which would entail configuration changes and assurances on the use and basing of the aircraft (particularly the F-15s for Saudi Arabia). States expects that the information provided next week will put a damper on unrealistic compromise proposals which might otherwise find their way into staff reports.

Witteveen Facility/Human Rights: The bill is scheduled for Wednesday. Preliminary House Democratic whip counts on final passage, which look tight but favorable, assume the adoption of the Harkin/Steers human rights language. Chairman Reuss will support the amendment; Subcommittee Chairman Neal will be opposing it. Treasury and State officially oppose the amendment.

-- Harkin and other "liberals" will insist on offering human rights language on all appropriate upcoming legislation. Politically, voting for "human rights" is popular and consistent with a perception of your goals. At the same time, conservatives are boisterously criticizing the Administration for applying human rights policy selectively. They argue that we single out weak countries like Nicaragua for harsh treatment and back away from tough stands in countries with whom we have important relations like Panama, Iran, Korea, and Indonesia. Rep. Charlie Wilson (D-Tex.) and Re. Ed Derwinski (R-Ill.) have warned that a conservative coalition will be taking a much more careful look at Administration programs. Wilson, in particular, noted that he will back Appropriations Chairman Long in cutting assistance to countries with serious human rights problems -- in particular, Panama. Wilson supported us last year.

-- Until we better articulate our human rights policy and convince the Congress of the wisdom of that policy, we will continue to face serious problems. We must work to develop pro human rights language that is consistent with our policy and will win Members' support; and, at the same time, allow us the flexibility to continue to participate in the banks and provide financial aid.

*2/11 help
if item needed*

-- State is also beginning to receive letters from some industries (e.g. Beechcraft) warning that they may take legal action to force the Administration to show cause why we have blocked various sales to a number of countries, among them Argentina.

Foreign Assistance: Secretary Vance will testify next week before the HIRC and Long's Foreign Operations Appropriations Subcommittee in support of the FY 1979 program. State anticipates that most Members will devote their questions to the Middle East arms package rather than to the economic and security assistance bills.

-- On economic aid issues, State expects Long to focus on the International Financial Institutions. He is likely to assert that in the two years that he has been chairman, we have sought to increase our IFI contribution by 207 percent and our economic aid programs by a total of 65 percent. On the military assistance side, his figures show a decrease of 15 percent in military aid over two years and a decrease of 16 percent in this year's request for Security Supporting Assistance.

-- State's assessment is that the security assistance program is broadly acceptable to the Congress (the Middle East focus and the reduced levels are the bases for its support). Nonetheless, we will have a problem on Korea funding and the equipment transfer package. Secretary Brown and General Brown are scheduled to testify next week before the HIRC and Senator Nunn's Armed Services Manpower Subcommittee on this issue. We need to decide how far to push the withdrawal plans and the request for additional funds in light of the climate in the House on Korea and the information from the former Korean Ambassador.

-- The Philippines will be a problem if we go for increased base right quid payments. There also may be efforts to enact new arms transfer restraints.

Horn of Africa: Growing congressional concern about the situation in the Horn was reflected in a well-attended executive session of the combined European and African Subcommittees of the HIRC last week.

-- State Department witnesses answered a wide variety of questions which focused on: 1) Soviet/Cuban/Ethiopian intentions in both the short- and long-term, 2) U.S. policy in the area to date, and where we are headed, 3) whether the Administration is treating the Horn conflict as a regional problem or in East-West terms, and 4) the objectives of the Aaron mission to Addis.

-- Newspaper reports of alleged differences between the State Department and the NSC over policy in the area also were raised. While certain Members such as Bonker and Tsongas were fairly critical of how our policies have evolved in the Horn and others expressed frustration over our seeming inability to counter the Russians, the only consensus that emerged was a general concern over the complexity of the problems we face.

OPIC: The bill is scheduled for next Thursday. OPIC staff members are cautiously optimistic on winning final passage. Majority Leader Wright and the Republican leadership will be supporting the bill. However, Reps. Leo Ryan (D-Cal.) and Sam Gibbons (D-Fla.) may offer an amendment which would deny "full faith and credit backing" of the U.S. Treasury from OPIC insurance. OPIC staff is worried that this amendment is designed to kill the bill. If offered, it will be a key test vote.

3. ECONOMIC PACKAGE

Taxes: Ways and Means has tentatively scheduled hearings to resume on March 6, with four weeks of hearings followed by markup sessions beginning about April 10. Chairman Ullman will try to comply with his earlier commitment to finish the bill in the House by early June.

CETA: After the press conference announcement on Wednesday, the bill will be introduced by Reps. Perkins and Hawkins and Senators Williams and Nelson. Secretary Marshall will also testify before House and Senate subcommittees on the proposal next week.

Humphrey/Hawkins: All Democrats present except Mottl (Ohio) voted against the proposal for specific inflation goals during House Education and Labor Committee markup last week. We expect the bill to be on the House floor around March 8. DOL advises that strong efforts by lobbying groups and the Administration will have to be made to assure passage.

4. SUPPLEMENTAL APPROPRIATIONS/B-1 BOMBER

-- The Speaker has tentatively set action on the bill as the first order of business on Wednesday. We assigned over fifty names to the Cabinet C.L. officers and asked them or their Secretary to call selected Members. They are to report back by Tuesday. After consulting with the Speaker, Brademas and Mahon, we will give you a list of calls we feel only you can switch. We must be successful on this House vote.

5. FY 1979 BUDGET

-- Last Friday, OMB and CEA hosted a lunch with senior staff of the House and Senate Budget Committees to determine the Hill's initial perceptions of the budget proposals and to outline areas which will require the most legislative work in the next few months. The following items came up in the discussion:

- Chairman Giaimo is leaning toward supporting a \$20 BILLION tax cut (including reforms) as an alternative to our \$25 BILLION proposal.
- On the spending side, the House notes a budget threat in agriculture spending of about \$5 BILLION, with a likelihood of the Committee accepting about \$2.5 BILLION of this amount (including \$2 BILLION of re-estimates. The Committee may also have to accept \$1.5 BILLION of increases for veterans' programs.

- House staff believes that the Congress will enact at the most \$1.5 BILLION of the budget's \$3 BILLION in legislative savings proposals (such as medicaid expanded quality control and hospital cost containment). The staff urged the Administration to select the most realistic of our proposals and to make a significant effort to have them enacted.
- There was some discussion of the deficit going as high as \$70 BILLION, but the congressional staff did not seem comfortable with this figure.
- The Hill is facing labor and constituent pressures to reduce the recently enacted increases in social security taxes. Chairmen Ullman and Giaimo favor some modifications during calendar year 1979, but other Members may try to take action during 1978.
- On energy taxation, the staff will recommend using the levels assumed in the second budget resolution for 1978 and the 1979 resolution, so that the budget process will not affect the pending energy conference.
- Our budget policies for agriculture are not well understood and need further clarification on the Hill. OMB staff will be meeting next week with the relevant congressional staff to review the budget's agriculture estimates to attempt to resolve some of the purely estimating differences. On the policy side, pressure exists to alter the 1977 farm bill to legislate the concept of 100% parity pricing. The Senate Budget Committee staff urges that the Administration signal that it will veto such legislation.
- There was great concern about possible increases for veterans' benefits.
- The Senate Budget Committee forecasts that the Senate may add about \$1 BILLION in budget authority to the Defense request. Because of pressure by some House Members to make cuts in defense, the House is more likely to support a defense level close to the budget request. Jim McIntyre will be meeting with Senator Stennis shortly to urge him to resist increases in the Defense budget, both in the Armed Services and Appropriations Committees.
- Labor groups, the Black Caucus, and others will be lobbying for an increase in the levels of Public Service Employment recommended in the budget. This effort will intensify with the upcoming AFL-CIO convention. However, the Budget Committee staffs thought that it may be possible to avoid increases here.
- The Senate Budget Committee staff is concerned that the Congress may increase post secondary tuition grants and loans and at the same time, enact the Roth tuition tax credit. The staff suggested that the best way to avoid this outcome would be to continue to give a strong veto signal that we will not accept both proposals, rather than delaying formal transmission of a budget amendment for the tuition grants. There was considerable discussion of this issue, but no consensus was apparent.
- The staff is eagerly awaiting your urban proposals.

6. MILLER NOMINATION - FEDERAL RESERVE BOARD

-- The Justice Department has informed the White House that it is initiating an investigation of Bell Helicopters' payments to its Iranian agent. As you know, the SEC has a pending investigation on the same question. Bell is a subsidiary of Textron. There is no indication that Bill Miller had any knowledge of the allegedly illegal payments.

-- The big question now is whether the Banking Committee will act while the investigations are pending. We have urged the committee to recall Miller and key Bell officials, question them under oath about Miller's knowledge of the payments, and then vote on the nomination without waiting many months for the conclusion of the investigations. Committee staff supports this approach. The committee will meet on Wednesday to decide a course of action.

Work has
on this

7. MISCELLANEOUS

-- If the coal strike is settled, we would strongly recommend a signing ceremony for the black lung benefits bill.

-- Agriculture Appropriations Subcommittee Chairman Whitten (D-Miss.) and Rep. Natcher (D-Ky.) may try to seek a meeting with you during the next ten days to discuss the farm problem and press for additional steps by the Administration or new legislation. The House Agriculture Committee will mark up FmHA legislation next week, and we can expect a liberalization of farm credit.

FLOOR ACTIVITIES, WEEK OF FEBRUARY 20

House

Monday -- Pro forma session (reading of George Washington's Farewell Address).

Tuesday -- Private Calendar bills

-- 6 suspensions:

- 1) Aircraft Registration. The bill is a technical correction of a law which inadvertently prohibited U.S. corporations from registering in the United States company aircraft which are used primarily overseas.
- 2) Emergency Highway Repair. The bill authorizes \$250 million at a 100% Federal share for the repair of potholes. Stu and Jim McIntyre have prepared a memo for you on this bill. DOT advises that staff of the Senate Public Works Committee does not believe that the Senate Committee would act favorably on the bill.
- 3) White House Conference on Arts and Humanities. The bill requires you to call two conferences (one on Arts and one on Humanities) before December 31, 1979. According to OMB, the Administration prefers that one conference instead of two be authorized (not required); and that the time for convening be extended through 1980, because there are already two White House Conferences scheduled for 1979. John Brademas is the primary sponsor of the legislation.
- 4) Alcohol and Drug Abuse Education Act Reauthorization. The bill reauthorizes the Act for five years, through FY 1983. According to OMB, the Administration would support a one-year extension pending completion of the review of this program in relation to other Administration elementary and secondary education initiatives. Brademas is the primary sponsor.
- 5) Environmental Education Act Reauthorization. The bill reauthorizes the Act for five years, through FY 1983. According to OMB, the Administration would support a one-year extension for the same reasons outlined above. OMB advises that the Administration's proposals for the reauthorization of the Elementary and Secondary Education Act will be submitted to Congress shortly. Brademas is the primary sponsor.
- 6) Humphrey Institute of Public Affairs. The Administration supports the bill which authorizes the Education Commissioner to award up to \$5 million for the Institute.

Wednesday -- Supplemental Appropriations/B-1 Bomber.

-- IMF Supplemental Financing (Witteveen).

Thursday &
Friday ,

- Overseas Private Investment Corporation Act.
- American Folklife Preservation Act. Rescheduled.
- Grazing Fee Moratorium. The bill prohibits the Interior and Agriculture Secretaries from increasing grazing fees on federal lands in 1978. USDA and Interior opposed the bill in reports sent to Congress. Western Members strongly support the bill. Teno Roncalio (D-Wyo) is the primary sponsor.
- Wichita Indian Claims. The bill eliminates any defense of res judicata (a case once decided is finally decided) and collateral estoppel (no litigation of an issue which has been effectively and conclusively determined in a previous court judgement) to permit the Wichita Tribe of Oklahoma to file with the Indian Claims Commission their land claims against the U.S. According to OMB, the Administration does not object to the bill if it is amended to reflect the February 15, 1978 Justice Department letter to Chairman Udall. Tom Steed (D-Okla) is the primary sponsor.

Senate

- The Senate will start out Monday with the reading of George Washington's Farewell Address and then take up the Panama Treaties.

NASHUA TOWN MEETING
FEBRUARY 18, 1973
OPENING STATEMENT

1

WHEN I CAME TO WASHINGTON, I WAS SURPRISED AND PLEASED TO FIND
HOW GOOD OUR GOVERNMENT WAS.

BUT I'M STILL NOT SATISFIED. I THINK IT COULD BE BETTER.

ONE OF THE WAYS IT CAN BE BETTER IS THROUGH CIVIL SERVICE REFORM.

2

FOR MORE THAN HALF OF OUR COUNTRY'S HISTORY, THE GOVERNMENT
CHANGED ALMOST COMPLETELY, TOP TO BOTTOM, EVERY TIME A NEW
ADMINISTRATION CAME TO POWER.

THE PARTY THAT WON THE ELECTION WOULD KICK OUT ALL THE OLD
OFFICEHOLDERS, AND REPLACE THEM WITH NEW ONES LOYAL TO THE VICTORS.

A LARGE PART OF EVERY PRESIDENT'S TIME AND ENERGY WERE
TAKEN UP WITH PERSONNEL MATTERS.

THAT SYSTEM LED INEVITABLY TO GOVERNMENT BY FAVORITISM.

IT LED TO CORRUPTION AND INCOMPETENCE.

IT HAD NO ROOM FOR THE EVEN-HANDED PROFESSIONAL MANAGER,
INDEPENDENT OF EITHER PARTY.

PLENTY OF PEOPLE KNEW HOW BAD THE SYSTEM WAS -- BUT IT TOOK
THE TRAGIC ASSASSINATION OF PRESIDENT JAMES A. GARFIELD BY A
DISAPPOINTED OFFICE-SEEKER TO PROVIDE THE PUSH THAT LED TO
CREATION OF A PROFESSIONAL CIVIL SERVICE.

THIS WAS DONE BY THE PENDLETON ACT OF 1883, WHEN
CHESTER ARTHUR WAS PRESIDENT.

IN THE 95 YEARS SINCE, THE HUGE BULK OF FEDERAL OFFICEHOLDERS
HAVE BEEN PROFESSIONAL CIVIL SERVANTS.

ONLY A FEW THOUSAND JOBS ARE STILL FILLED BY PRESIDENTIAL
APPOINTMENT.

CREATION OF A PERMANENT, PROFESSIONAL CIVIL SERVICE WAS A
MAJOR GOVERNMENT REFORM. THERE'S NO QUESTION ABOUT IT.

AND YET IN SOME WAYS THAT VERY SYSTEM HAS BECOME, OVER THE
YEARS, AN OBSTACLE TO WHAT I WANT TO SEE -- THE VERY BEST POSSIBLE
GOVERNMENT FOR OUR COUNTRY.

THE FEDERAL CIVIL SERVICE IS STILL BASICALLY SOUND BUT ITS
MACHINERY HAS GROWN OLD, AND COMPLICATED, AND RUSTY.

TOO OFTEN NOWADAYS, THE SYSTEM STIFLES INDIVIDUAL INITIATIVE,
AND PROTECTS THE COZY JOBS OF EVEN THOSE WITHIN THE SYSTEM WHO
DON'T DO A GOOD JOB.

TOO OFTEN THE LENGTH OF TIME EMPLOYED IS AUTOMATICALLY
REWARDED -- AS IF YOU WERE AUTOMATICALLY PROMOTED FROM ONE GRADE TO
ANOTHER IN SCHOOL WHETHER YOU PASSED YOUR COURSES OR NOT.

NO ONE IS MORE FRUSTRATED BY THIS SITUATION THAN OUR THOUSANDS
OF HARD-WORKING PUBLIC SERVANTS THEMSELVES.

I FOUND THIS OUT ON THE STATE LEVEL, AS GOVERNOR OF GEORGIA.

PEOPLE SAID THAT STATE EMPLOYEES WOULD OPPOSE ME WHEN
I SET OUT TO REORGANIZE THE GOVERNMENT OF GEORGIA.

BUT, BY AND LARGE, THEY BACKED ME.

IT TURNED OUT THAT THEY HAD BEEN SUFFERING JUST AS MUCH
AS THE PUBLIC FROM THE BUREAUCRATIC RESTRICTIONS THAT KEPT THEM
FROM DOING THE BEST JOB THEY KNEW HOW TO DO.

WE NEED AN IMPROVED SYSTEM ON THE FEDERAL LEVEL, TOO --
A SYSTEM THAT REWARDS THOSE WHO SERVE WELL, DISCIPLINES THOSE WHO
ARE INEFFICIENT OR IRRESPONSIBLE, AND GETS RID OF THOSE WHO ARE
INCOMPETENT.

WE MUST RESTORE THE MERIT PRINCIPLE TO CIVIL SERVICE.

BY EARLY NEXT MONTH, I EXPECT TO ANNOUNCE FULL DETAILS OF
SUCH A PLAN, AND SUBMIT IT TO CONGRESS FOR APPROVAL.

THIS PLAN WILL CREATE STRONGER SAFEGUARDS AGAINST THE ABUSE
OF OFFICIAL POWER.

IT WILL REWARD MERIT, NOT JUST LONGEVITY.

IT WILL REDUCE RED TAPE AND DELAYS.

IT WILL SIMPLIFY AND SPEED UP THE WAY WE HANDLE EMPLOYEE
GRIEVANCES AND DISCIPLINARY ACTIONS.

IT WILL MAKE IT EASIER FOR WOMEN AND MEMBERS OF MINORITIES
TO GET AHEAD IN THE FEDERAL GOVERNMENT.

Keith White Morality

Carol Lynn Energy

Dean Agén Panama Treaties

Bruce Proveau Repentance

Jim Evans Toft Hartley

Susan Bachelor Food
Aid

Anni Marie Dosty

Susan Zaremsky Effect

Joseph Däker

Beth Loim

AND IT WILL ALLOW EVERY DEPARTMENT OF THE FEDERAL GOVERNMENT
TO MEET THE NEEDS OF THE PUBLIC WITH MORE EFFICIENCY.

I HOPE IT WILL HELP US HAVE A GOVERNMENT THAT PEOPLE LIKE YOU
WILL WANT TO WORK IN -- THE BEST AND ABLEST YOUNG PEOPLE IN OUR
COUNTRY.

Sadat - Weapons sales

Ken = Bal budget
Reduce fed govt

Ann Chan - Nat Health Care

John Bryant - Is 19:23:24
Your bet

Brian Gifford - Promises too
much
?

David Carl Stan Turner

Carry Thompson
Seabrook

David Young Sr / Cuba

IF YOU SHOULD CHOOSE GOVERNMENT SERVICE -- AND I HOPE
MANY OF YOU WILL -- I WANT YOU TO FIND YOURSELVES IN A SYSTEM
THAT ALLOWS YOU TO GIVE OF YOUR VERY BEST.

#

REGIONAL NEWS CONFERENCE
PROVIDENCE, RHODE ISLAND
FEBRUARY 17, 1978 3:30 P.M.

BEFORE I ANSWER YOUR QUESTIONS, I'D LIKE TO TALK ABOUT
OUR NATION'S ECONOMY FOR A MINUTE.

IN MANY WAYS, OUR ECONOMY WAS GOOD LAST YEAR.

THE INFLATION RATE WENT DOWN.

WAGES, PROFITS, PRODUCTION, REAL INCOME, HOUSING STARTS AND
INVESTMENTS ALL WENT UP.

FOUR MILLION NEW JOBS WERE CREATED -- AN ALL-TIME RECORD.

MANY OF THESE JOBS WERE IN NEW ENGLAND, I'M HAPPY TO SAY.
EMPLOYMENT HERE WENT UP LAST YEAR BY NEARLY 5-1/2 PERCENT, AND,
AT THE SAME TIME, UNEMPLOYMENT DROPPED FROM 8.5 PERCENT TO
5.6 PERCENT. *ALMOST 3%.*

BUT UNEMPLOYMENT AND INFLATION ARE STILL HIGHER THAN I AM
WILLING TO ACCEPT, AND SO MY TOP PRIORITY THIS YEAR IS OUR ECONOMY.

I HAVE THEREFORE ASKED CONGRESS TO HELP ME WITH A COHERENT
AND FAIR PROGRAM TO MAKE MORE JOBS AND BRING INFLATION UNDER CONTROL.

~~THERE ARE FOUR PARTS TO THE PROGRAM.~~

WE NEED

~~THE FIRST IS~~ A COOPERATIVE ~~AND~~ ANTI-INFLATION EFFORT, WITH
MANAGEMENT AND LABOR WORKING TOGETHER TO KEEP WAGES AND PRICES FROM
PUSHING EACH OTHER UP.

WE NEED

~~THE SECOND IS~~ AN EXPANDED JOBS PROGRAM TO HELP THOSE WHO ARE
HIT HARDEST BY UNEMPLOYMENT.

NEXT WEEK I'M SENDING LEGISLATION TO CONGRESS WHICH WOULD
REAUTHORIZE THE \$12 BILLION COMPREHENSIVE EMPLOYMENT AND TRAINING ACT.

AND
THE ACT PROVIDES FOR 725,000 PUBLIC SERVICE JOBS, FOR A
BILLION-DOLLAR YOUTH EMPLOYMENT AND TRAINING PROGRAM, ~~AND FOR FUNDS~~
~~FOR STATE AND LOCAL GOVERNMENTS TO OPERATE CETA EMPLOYMENT AND~~
~~TRAINING PROGRAMS.~~

ALSO WE NEED
THE ~~THIRD AND FOURTH~~ - A TAX REDUCTION AND TAX REFORM -- ~~THEY~~
GO TOGETHER.

NET
THEY ADD UP TO \$25 BILLION IN REDUCTIONS, AND THEY ARE DESIGNED
TO CREATE A MILLION NEW JOBS BY THE END OF NEXT YEAR.

~~SEVENTEEN BILLION OF THE TAX CUT WILL BENEFIT LOW- AND~~
~~MIDDLE-INCOME WORKERS; THE REST WILL BE CUTS IN CORPORATE TAXES.~~

\$17 BIL^{IN} PERSONAL INCOME
TAX CUTS FOR WORKING FAMILIES.
- THE REST IN CORPORATE TAX REDUCTION

CORPORATIONS WILL RECEIVE HIGHER TAX CREDITS FOR INVESTING
IN JUST THE SORT OF NEW PLANTS AND EQUIPMENT THAT MANY NEW ENGLAND
COMPANIES NEED TO COMPETE EFFECTIVELY WITH FOREIGN MANUFACTURERS.

JOBS WILL BE CREATED BOTH IN BUILDING AND OPERATING THESE
NEW PLANTS AND EQUIPMENT.

BUT WE CAN'T HAVE THESE CUTS UNLESS WE HELP PAY FOR THEM
BY ELIMINATING SOME OF OUR PRESENT TAX SUBSIDIES.

TWO OF THESE ARE THE DEFERRAL SUBSIDY AND DISC SUBSIDIES.
BOTH HAVE A PARTICULARLY BAD EFFECT ON NEW ENGLAND, WHERE COMPETITION
FROM ABROAD HAS HAD SUCH A TERRIBLE EFFECT ON BUSINESSMEN AND
WORKERS ALIKE.

THE DEFERRAL SUBSIDY LETS MULTINATIONAL CORPORATIONS PAY
LOWER TAXES ON FOREIGN PROFITS THAN THEY PAY ON THEIR U.S. PROFITS.

THIS AMOUNTS TO SUBSIDIZING CORPORATIONS TO EXPORT JOBS
OVERSEAS. IT ~~MAKES ABOUT AS MUCH SENSE AS SHOOTING YOURSELF IN~~
~~THE FOOT.~~

THE SO-CALLED DISC PROVISIONS ARE JUST AS BAD. THEY LET
U.S. COMPANIES SET UP DUMMY SUBSIDIARIES TO HANDLE FOREIGN EXPORTS,
SO AS TO DUCK U.S. TAXES ON HALF THE PROFITS.

BOTH THESE GIVEAWAYS GO OVERWHELMINGLY TO THE LARGEST
MULTI-NATIONAL CORPORATIONS.

BOTH MEAN THAT THE AVERAGE TAXPAYER MUST PAY MORE TAXES TO
TAKE UP THE SLACK CAUSED BY THESE SUBSIDIES.

BOTH COST NEW ENGLAND JOBS.

AND BOTH THESE LOOPHOLES SHOULD BE CLOSED.

AS FOR THE FAMOUS "THREE-MARTINI LUNCH", I DON'T CARE HOW
MANY MARTINIS ANYONE HAS WITH LUNCH.

I'M CONCERNED WITH WHO PICKS UP THE CHECK.

I DON'T THINK A RELATIVELY SMALL MINORITY HAS SOME SORT OF
DIVINE RIGHT TO HAVE ITS EXPENSIVE MEALS, THEATER TICKETS AND
COUNTRY CLUB DUES PAID FOR BY HEAVIER TAXES ON EVERYBODY ELSE.

IF CONGRESS HELPS ME BY GETTING RID OF THESE LOOPHOLES, AND
BY ENACTING MY ECONOMIC PROGRAM, WE CAN MAKE A GOOD START ON THE
TWIN PROBLEMS OF UNEMPLOYMENT AND INFLATION.

THE ECONOMY WON'T TURN AROUND OVERNIGHT, OF COURSE, ANY MORE
THAN AN OCEAN LINER CAN TURN ON A DIME.

THE JOB WILL REQUIRE SLOW, CAREFUL PLANNING, NOT DRAMATIC
MASTER STROKES.

IT WILL REQUIRE SMALL CORRECTIONS OF COURSE, PATIENTLY
ADHERED TO.

IT WILL REQUIRE CAREFUL ADJUSTMENT AND TUNING, RATHER THAN
MAJOR OVERHAUL.

THE MACHINERY OF OUR ECONOMY IS SOUND, AND HAS WORKED
WELL DESPITE SEVERE SHOCKS.

BUT IT CAN WORK BETTER WITH CAREFUL PLANNING.

AND NOW, I WELCOME YOUR QUESTIONS.

#

PENN MINE - HARDWORKING
PATRIOTIC

- SERIOUS RESPONSIBILITY

- VITAL TO U.S.

UNION
COLLECT BARG
INDUSTRY

SOME PROGRESS

BARGAINING → SETTLEMENT
CONFIDENCE

AVOID MORE SERIOUS
ACTION

CANN KING JEROME SYMONS

Unemp. NH - $1\frac{1}{2}$ 6.27
4.7
Hushua - 2? 7.7
5.9

Econ Stim - \$54 mil

TOM McINTYRE

NORM D'AMOURS

JOHN DURKIN

Chmn

Sub

= ARMED SERVICES = R & D

ARMS CONTROL

BANKING

HOUSING, URBAN

= SOLAR ENERGY BUDGET

NH VALUES

INTEGRITY

INDEPENDENT

JOBS.

> BUSINESS

TAX RELIEF

LOW INT LOANS

> PAPER WORK

Additional jokes for Rhode Island:

1. I very much appreciate the 12% majority Rhode Island gave me in the general election--although I have to admit I was worried about your judgment for a while there in the primary.
2. (St. Anthony is the saint who helps find lost objects.) I hope between ~~the U~~ the U.S. Army and St. Anthony, you've all been able to find your cars.
3. I understand that Rhode Island democrats are sometimes somewhat less than united. In fact, Senator Pell was telling me earlier that the existence of the Rhode Island Democratic Party ^{makes} ~~made~~ the two-party system obsolete.
4. I hope you'll be able to understand the way I talk all right. Actually, ~~I~~ I was thinking about bringing an interpreter along. It worked so well in Warsaw....
5. (Variant of earlier joke): Georgia and Rhode Island have always been very close. Your state made the silver for my state to buy during the Civil War.
6. You might find occasion at some point to make reference to the fact that Rhode ~~Island~~ ^{Island} has the longest name of any state: The State of Rhode Island and Providence ~~Plantations~~ Plantations.